

# 3m organizational analysis

Business



Organizational Analysis Paper 3M 3M Intro 3M is a Maplewood, Minnesota based company. Previously it was named Minnesota Mining and Manufacturing.

3M is an international science based company that develops new technologies to solve real world problems encountered by people and businesses every day. This Fortune 500 Company employs more than 80,000 employees in 28 states and 65 countries with the majority of the employees outside the United States of America. M is broken down into 6 business divisions: Consumer and Office, Display and Graphics, Electro and Communications, Health Care, Industrial and Transportation, and Safety, Security and Protection. These six divisions produce some 55,000 different products to solve problems ranging from modern day adhesives used to bond body panels on vehicles to nanotechnology in medical applications. This modern day science lab is one of the most successful manufacturing companies ever.

M believes that the best way to grow and develop a business is to reinvest in itself, develop emerging business ideas, acquire businesses in fast growing industries, and believe in their employee's decisions, dreams and ideas. 3M Motivation and Rewards 3M prides itself on its ability to motivate by empowering people to be a more knowledgeable employee and citizen. By empowering employees to take leadership classes and keep learning a priority within their careers at 3M, this inspires a culture that accepts and motivates everyone to be at their best. M is an organization that is considered ahead of the rest when it comes to rewarding employees. 3M considers extrinsic rewards, on an individual level, a distraction to their <https://assignbuster.com/3m-organizational-analysis/>

employees and likes to focus more on intrinsic rewards such as peer recognition to motivate their employees, which in turn promotes group interaction.

“ 3M wants to avoid employees hoarding new ideas and failing to collaborate. (Leavitt 2002) 3M employees share ideas for peer recognition, this recognition includes the Technical Circle of Excellence award in which innovators, selected by coworkers, receive a trip to the company retreat in Minnesota. For technical promotions, the ability of somebody to work with others inside and outside their laboratory is very much a part of the promotion criteria, especially at the higher levels. “ In addition to peer recognition, 3M celebrates success stories and propagates tales of innovation and contribution. The stories about great inventors, such as Art Fry, become legends at 3M. (Leavitt 2002) In addition to 3M’s beliefs on intrinsic rewards through peer recognition, upper management likes to stress the importance of positive reinforcement by allowing their employees 15% of their time to work on a project that they think will benefit the company, a project that is of importance to the employee that they can feel good about working on and share with others.

“ 3M has a culture that encourages innovation and creative thinking. All technical employees are tasked with spending 15% of their time on projects of their own choosing and initiative. The company fosters these ideas through regular New Product Forums and makes funding available for employee projects through Genesis Grants. ” (EERE 2010) Employees working on a project that could benefit the company can be considered an intrinsic reward to them as it is a self-granted positive stimulus. Another <https://assignbuster.com/3m-organizational-analysis/>

reward system that 3M stands by is their dual ladder career path approach for their employees. 3M will allow a technical person to be promoted to the vice-president level without ever taking on administrative or managerial responsibilities.

This dual ladder approach to promotion gives the employees the sense of belonging and that they have the ability to move up the ladder without having all the experience that a typical vice-president would have. The belief and knowledge that their ideas matter, motivates an employee and makes them happier and feel better about their role and position within 3M. 3M's employees are different than most companies in that their motivation comes from the work they do and the ideas they create and not just from a good paying career. Leadership 3M has developed a framework of base competencies which allows the Human Resources Department at 3M to look for base competencies of future employees and help them retain or develop them through further successful management training. These initial competencies follow the ethical and integrity principles that are orientated towards conducting good business and follow 3M's corporate values.

Other good leadership qualities that 3M look for is people who have a strong intellectual capacity to understand complex problems rapidly, are able to handle multiple job tasks at once while accommodating new solutions at any time, and show maturity and sound judgment by accepting mistakes if they are made. 3M's culture is to develop leadership qualities to become a leader within their areas of interest and career. Some leadership qualities are good customer orientated relationships making the customer feel that they are exploring all possibilities to their problem and that each interaction is

positive and productive. A leader should develop and retain their employees and promote continuous learning of staff while inspiring others to become better by using education and examples of good leadership. Good leadership should identify and generate new products, markets and opportunities that will add value and profit to 3M's enterprise.

As leaders progress to higher levels of responsibility they should consider developing their own way's and techniques to lead not just lead with what they have learned from others but really mold their own decisions based on their own opinions and perspectives. They should start to look at the business from the outside looking in and invent new ideas and products for the future. Leader should invest in developing visions and strategies to satisfy their customer's problems or potential problems. Leaders should embrace innovation and handle it respectfully to understand its real cause and effect it could have on the user and the environment. Leaders should develop relationships with others inside the organization but outside their departments and focus area. This often leads to innovation outside of their normal work area but has paid big dividends for 3M in the long run many of their inventions have happened because there is a new eye outside looking in and they can see promise were others see problems and dead ends.

Leadership at 3M requires leaders and individuals to be flexible and understanding to colleagues and integrate new ideas and assets to make 3M a stronger company and keep the culture of thinking and developing at the forefront of their daily duties while still keeping a clear view of 3M's objectives to be a leader in scientific solutions to everyday problems. M  
Organizational Culture/Design Power and Politics Organizational culture is  
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defined by our text as “ Shared values and beliefs that underline a company’s identity. It is 3M’s belief that innovation is the cornerstone of their past, present and future success. They have always allowed their employees to be entrepreneurs within the company. At 3M, if you invent a new product or figure out ways to mass-produce current products economically, they give you social reward power to manage that product as if it were your own business, with minimal constraints from upper management. By 3M rewarding their employees in this way, it avoids having employees seek any negative personalized power or use any political tactics against others.

This is an amazing idea that would surely promote a healthy work environment. It gives employees the chance to be promoted without having to wait for people to retire or quit. The culture and design of 3M is to encourage its people to take ideas and run with them. When a new product is developed it is divided into a self-sustaining department. Each department is managed by a small group of people who are responsible for the future of that specific product. If they are successful enough the department could become a division within the organizational structure/design of 3M.

As we stated earlier 3M is broken down into 6 business divisions. More than 80, 000 3M employees work to create more than 500 new products every year. These employees are allowed to create these new products with nearly no constraints. Products that are created don’t have to be for any one specific industry. This allows employees creative juices to flow freely. They are also not punished if an idea is not successful in the market place.

If a new product is assigned a team and that team is not successful, they are guaranteed their previous job. This gives employee's confidence to get out there and take a chance on new ideas. The corporate mission of 3M is " We are in the business of building businesses. " 3M is designed to allow its employee's the ability to be innovative even if not all of the new products that are introduced are successful. They spend about 5 percent of their sales income on research and development, which is twice the average of other manufacturing company.

(3M Corporation Website). Another thing that 3M does to generate new ideas is to have their scientists regularly meet with customers to learn how they use 3M products. A way that they do this is by inviting customers to participate in sessions with their scientists aimed at generating new product ideas. 3M takes pride in having a very diverse workforce. " The essential elements of success are simple: Organizations that value people are the organizations that will win. Organizations that try to make us all the same, look the same, think the same, speak the same, and behave the same, are the organizations that will lose.

" ( George Buckley, Chairman, President and CEO) They have a diverse workforce and understand that having a diverse workforce brings in ideas from people in all walks of life. The culture and design of 3M is based around and on its people. Communication Communication is described as " the exchange of information between a sender and a receiver, and the inference (perception) of meaning between the individuals involved" (kreitner, 2008, p. 00). The first step in the communication process is to ask who the receiver of the message will be.

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In the case of 3M, the receivers are the employees, customers and suppliers. Through its use of the Digital signage technology, and formal communication channels, 3M has made communicating corporate messages accessible to all. The company uses the all three channels of formal communication, vertical, horizontal, and external, to communicate company messages and information. Vertical communication is upward or downward communication. Communication either moves upward from employee to Boss or downward from upper management to lower level employees.

The use of the Digital signage system is an example of vertical communication. The digital signage is software that is used to display information and notices on plasma screens throughout the company. Employees receive real time information on what is going on, and how it effects what they are doing. This mode of communication provides employees with information and resources that help them do their jobs. The digital signage system also enables the company to communicate externally to customers and suppliers.

The system has a plasma display lobby and “ communicates corporate messages and videos to visitors, including background information about achievements at the 3M site. Being able to communicate is vital for any company to survive, and 3M has made use of horizontal communication. Horizontal communication “ flows within and between employees working in different work units” (Kreitner, 416). Work teams are the norm at 3M, and have been utilized very successfully. M’s communication method is very open, and the company seeks to provide employees, as well as supplier’s information that is relevant and will be of use to them.

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The information provided to each employee/department/supplier is information that will improve the quality of their work. Team/Group Dynamics Cross-functional, self-directed work teams are at the core of 3M's success in new product development. A team is “ a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable” (Kreitner, 306). A cross functional team is a team made up of members that specializes in different areas within the organization. For example “ individuals from R&D, marketing, sales, manufacturing can simultaneously work together to focus on new product and market opportunities.

In the past, 3M often utilized these department people in sequence, possibly resulting in R&D designing new products that the manufacturing department couldn't produce economically and that the marketing department couldn't sell. The self-directed work groups at 3M “ are empowered to take corrective actions to resolve day-to-day problems. They also have access to information that allows them to plan, control, and improve their operations. ” (3M website) Through work teams alone, one 3M facility saw a 300 percent gain in production. According to the article on Self-Directed work teams: As a competitive advantage, work teams improve quality, productivity and service, offer greater flexibility, reduce operating costs, respond faster to technological change, increase employee commitment to the organization, and help attract and retain the best people.

It is no surprise that 3M remains one of the most innovative organizations today. The success of the organization is due in part to their bringing  
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together employees specialized in different department functions, to develop new products. The process involves top employees who are committed to the near perfect output of their product. The product is developed by the group, and therefore, its success dictates the success of the work team. Work teams go through continuous training, and continue to develop their roles within the team. The goal is to construct an effective team that share a common vision and mission, which in turns continue to launch new products and improve on current products.

**Decision Making** When making supply source decisions 3M uses a spinoff of the rational decision making model; the rational model of decision making includes four steps which are to first identify the problem then come up with alternate solutions and third to select a solution and then finally putting that solution in place. M uses these steps but has added additional processes and coined it “ expert choice” which is similar to the rational decision making model but with added variables and processes for a faster decision making process when selecting a supply source. “ Expert Choice helped 3M package their procedures and gain significant efficiencies in terms of moving through the overall decision. The ability to combine quantitative and qualitative data and then represent the results graphically has helped in packaging decisions for final approval. Additionally, it’s invaluable to run through numerous “ what-if” scenarios with skeptics.

This tool created both a final consensus as well as the ability to defend a decision. Today, 90% of 3M’s decisions involve the model for selecting a supply source. ” (www. expertchoice. com) When making decisions in general at 3M they tend to stick to an individual behavioral approach.

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They hold their employees to a higher ethical standard than the law imposes on an organization. 3M holds their employees to strict standards when making ethical decisions. Employees should always be aware of the corporate standards and always “ show uncompromising honesty and integrity, avoid all conflicts of interest, promote fairness, and respect the dignity of others when making decisions. ” (3M website) In addition to these standards employees always ask themselves three questions that should be answered yes when addressing any decision, which are: “ Is this action consistent with 3M’s corporate values of uncompromising honesty and integrity? Can this action withstand public scrutiny? Will this action protect 3M’s reputation as an ethical company? (3M website) These three questions should be the basis of any company’s decision making process and these questions are a part of why 3M has been so successful. Value of this Assignment Overall, the learning value of this assignment is extremely important to our learning teams by helping us understand the concepts of organizational behavior as a whole and how the concepts intertwine and come together in the workplace. Without the understanding of organizational behavior concepts, managers in today’s business settings would have a difficult time understanding and managing people within their workplace.

Through analyzing 3M’s business structure of organizational behavior, we as a learning team can better apply the concepts we have learned throughout the semester to everyday real life organization interactions on an individual, group and organizational level. In applying these concepts, we have gained a more complete grasp of what it takes to become a more effective communicator when interacting with others. References <http://ivythesis.com>

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